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NSC BRIEFING

MEMORANDUM FOR  
THE PRESIDENT

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BY: [REDACTED]

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### NEW SINO-SOVIET RAIL LINKS

The Sino-Soviet joint communique of 11 October 1954 announced that two new railroads would be built to link the two Communist powers. The first of these, to be completed next year, will provide a route from the Trans-Siberian southward across Mongolia for 650 miles to North China. The second, which will take longer to build, will extend China's main East-West line an additional 1,900 miles across the remote western province of Sinkiang, connecting with the Soviet Turk-Sib railroad in Central Asia.

Both for long-range significance and for ambitiousness of construction, the building of these lines compares to the US pioneering of the transcontinental railroads.

When completed, the two rail links will provide the Bloc with shorter and more secure inner lines of communication to China Proper and eventually to Southeast Asia. They will double China's capacity for rail interchange with the Bloc and greatly reduce Peiping's vulnerability to sea blockade.

The new lines will bring two kinds of economic benefit to the Bloc. First, they will open untouched

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frontiers of inner Asia to Soviet and Chinese exploitation and industrial development- oil in Mongolia; even more oil, plus other mineral deposits, in Sinkiang. Second, the mileage saving of the Mongolian line will mean lower costs, quicker delivery and less demand on rolling stock for the increasing Bloc trade with China Proper.

The Mongolia line, the shorter of the two, is scheduled for completion during 1953. It extends south from the capital of the Mongolian People's Republic, Ulan Bator, through a mountainous region and across the Gobi Desert to Chining, on the Peiping-Suiy<sup>u</sup>an Railroad. Soviet construction from the north <sup>has</sup> reached Sayn Shanda, site of a new Soviet oil development. The Chinese, working from the south, have laid 116 miles of track towards the border town of Fuhlien, where winter construction quarters have been established. In view of the comparatively easy terrain ahead, the 1953 target date for closing the gap seems realistic.

The Soviet section of this line is broad gauge (5'), while the Chinese construction is believed to be standard gauge (4'8½"). In consequence, a transloading yard must be built, but its location is not yet known.

Capacity of the Mongolia line, upon completion, is estimated at two to three million tons each way annually (actual traffic, as opposed to capacity, will be less).

Travel by the Mongolia line will save 175 miles over the present Moscow-Peiping mileage. This traditional route (Trans-Siberian to Otpor/Manchuli and thence on the Manchurian mainline) will continue to be the most direct route from the USSR to China's industrial centers in Manchuria. The more direct route of the Mongolia line, however, will make it the major artery for trade between the USSR and China Proper.

The new Sayn Shanda oil field, which lies on the Mongolia line, has been under development since 1949. More than 400 wells have been drilled to date

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The field may eventually yield one to two million tons of oil a year, with production probably going both to China and to a projected Soviet refinery at Irkutsk. Availability of this nearby production will go far towards reducing present long-haul movements of Soviet petroleum to China.

The Sinkiang route, three times longer than the Mongolia line, could possibly be completed by 1960. The Soviet section is to be built eastward 185 miles from Alma Ata to the Chinese border. Work on this section was announced to be commencing on 24 October. Although Soviet responsibility for construction nominally ends at the border, it is possible that the USSR might build further, thus speeding completion of the link-up. Chinese construction, northwestward from Lanchow, has already advanced more than 200 miles, through the most difficult terrain on the route. During the winter of 1953-54, a 37-mile stretch was driven through the rugged 10,000 foot Su Hsiao Ling range, and the line had advanced to open desert by July 1954. For the remainder of the route, the terrain will present fewer difficulties. The line will probably reach Yumen (China's largest present oilfield, in Kansu province) by 1956.

While some details of route alignment are lacking, the railroad will pass through Sinkiang's capital, Urumchi, and through the new and very rich petroleum center of Yusu. Thence, it is expected to cross a break in the mountains to the agriculturally rich Ili River valley and reach the border.

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As with the Mongolia line, the Soviet section of this western line is broad gauge and the Chinese section standard. The transloading point is not yet known.

Capacity, upon completion, is estimated at two to three million tons each way annually (normal traffic will probably be less).

The Sinkiang line will stimulate exploitation of mineral resources in Kansu and Sinkiang. The Yumen fields, even on a basis of 1954 production, can furnish a minimum of 350,000 - 450,000 tons of petroleum traffic a year. Far more important for the future is the Wusu development and the entire Dzungaria Basin, where potential petroleum resources are estimated to be among the greatest in the world - comparable to the Volga-Ural fields. In addition, Sinkiang contains sizable mineral deposits (including tungsten and uranium in the Dzungaria Basin).

While the volume of Bloc through traffic on this line is expected to be small at first, exploitation of these raw materials and the export of Sinkiang oil to the USSR will undoubtedly expand trade in the area.

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In summary, completion of the two new Sino-Soviet railroad links will represent a considerable achievement for both China and the USSR. Strategically, the capability of the Chinese railroad system to receive shipments from Soviet railroads will be approximately doubled and the lines, themselves, will be less vulnerable. Economically, mineral-rich areas will be opened up and transport costs will be significantly reduced, thus stimulating sino-Bloc trade. Politically, remote areas of China - hitherto isolated geographically and administratively from Peiping - will be tied more firmly to central government control.